

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

MATHEW RABADI, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

DERMA SCIENCES INC., STEPHEN T.
WILLS, SRINI CONJEEVARAM, BRETT D.
HEWLETT, SAM NAVARRO, ROBERT G.
MOUSSA, INTEGRA LIFESCIENCES
HOLDINGS CORPORATION, AND
INTEGRA DERMA, INC.,

Defendants.

C.A. NO. 3:17-cv-00628

**STIPULATION AND ~~PROPOSED~~ ORDER CONCERNING PLAINTIFF'S
VOLUNTARY DISMISSAL OF THE ABOVE ACTION WITH PREJUDICE AND
PLAINTIFF'S COUNSEL'S ANTICIPATED APPLICATION FOR AN AWARD OF
ATTORNEYS' FEES AND EXPENSES**

(65)

WHEREAS, on January 11, 2017, Derma Sciences, Inc. ("Derma" or the "Company") and Integra Lifesciences Holdings Corporation ("Integra") announced that they had entered into an Agreement and Plan of Merger, dated as of January 10, 2017, among Derma, Integra, and Integra's wholly-owned subsidiary Integra Derma, Inc. ("Merger Sub"), pursuant to which Merger Sub would acquire all of the outstanding shares of Derma and Derma stockholders would receive \$7.00 per share of Derma common stock (the "Proposed Transaction");

WHEREAS, on January 25, 2017, Derma filed a Recommendation Statement on a Schedule 14D-9 (the "Recommendation Statement") with the SEC. Among other things, the Recommendation Statement (i) summarized the Merger Agreement, (ii) provided an account of the events leading up to the execution of the Merger Agreement, (iii) stated that the Derma's board

of directors determined that the Proposed Transaction was in the best interests of Derma's stockholders and recommended the Proposed Transaction, and (iv) summarized the valuation analyses and fairness opinion by Greenhill & Co., LLC ("Greenhill"), the financial advisor to Derma;

WHEREAS, on January 30, 2017, plaintiff Mathew Rabadi ("Plaintiff") filed a purported class action lawsuit in the District Court for the District of New Jersey, on behalf of himself and other public stockholders of Derma, challenging, inter alia, the adequacy of the disclosures made in the Proxy, captioned: *Rabadi v. Derma Sciences, Inc., et al.*, Case No. 3:17-cv-00628 (the "Rabadi Action");

WHEREAS, this lawsuit alleged, among other things, that Defendants Derma, Stephen T. Wills, Srini Conjeevaram, Brett D. Hewlett, Samuel E. Navarro, Robert G. Moussa, Integra Lifesciences Holdings Corporation, and Integra Derma, Inc., (collectively, the "Defendants") committed disclosure violations under Sections 14(d)(4), 14(e) and 20(a) of the Securities and Exchange Act of 1934 (the "Exchange Act"), and Rule 14d-9 promulgated thereunder;

WHEREAS, on February 10, 2017, Derma filed a Form 8-K with the SEC containing supplemental disclosures to the Recommendation Statement (the "Supplemental Disclosures");

WHEREAS, Plaintiff agrees that as a result of the filing of the Supplemental Disclosures, the disclosure issues related to the Proposed Transaction identified in the complaint have become moot;

WHEREAS, no class has been certified in the Action;

WHEREAS, for the avoidance of doubt, no compensation in any form has passed directly or indirectly to Plaintiff or his attorneys and no promise, understanding, or agreement to give any

such compensation has been made, nor have the parties had any discussions concerning the amount of any mootness fee; and

WHEREAS, on February 22, 2017, the tender offer for Derma common stock expired, and on February 24, 2017, and Integra successfully completed its acquisition of the Company;

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned attorneys for the respective parties:

1. Plaintiff hereby agrees to voluntarily dismiss the Action, with prejudice to the Plaintiff and without prejudice to all other members of the putative class;
2. Because the dismissal is without prejudice as to the putative class, and no consideration or compensation has been given or promised to Plaintiff or his counsel, no notice of this dismissal is required;
3. Plaintiff asserts that Plaintiff caused Defendants to issue the Supplemental Disclosures in response to this Action and the efforts of Plaintiff's counsel to prosecute class claims, and Plaintiff therefore asserts that his counsel are entitled to a fee and expense award, and will file a petition for such fees and expenses by no later than April 14, 2017;
3. Defendants reserve the right to oppose any petition for attorneys' fees and expenses to be filed by Plaintiff; and
4. This Court retains continuing jurisdiction over the parties in the Action solely for purposes of further proceedings related to the adjudication of Plaintiff's petition for an award of attorneys' fees and expenses. If the parties reach an agreement to compromise and resolved the petition for

attorneys' fees and expenses, they will notify the Court. Upon such notification, the Court will close the Action.

/s/ Evan J. Smith

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Counsel for Defendants Integra LifeSciences Holdings Corporation and Integra Derma, Inc.

SO ORDERED this May 23 ~~day of~~, 2017

Peter G. Sheridan

Honorable Peter G. Sheridan
United States District Court Judge

CERTIFICATE OF SERVICE

I hereby certify that on March 10, 2017, I caused to be electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to the all registered participants.

/s/ Evan J. Smith

Evan J. Smith